SPEED MESSAGE FROM UTAH DIVISION OIL, GAS & MINING MR. LARRY A. DREW, MANAGER FNVIRONMENTAL 355 W. NORTH TEMPLE, SUITE 350 HECLA MINING COMPANY 6500 MINERAL DRIVE, BOX C-8000 SLC, UTAH 84180-1203 COEUR d'ALENE, IDAHO 83814-1931 SUBJECT NOTICE OF DAM INSPECTION, UTAH DIVISION OF WATER REJTS. M/021/004, ESCALANTE SILVER MAY 3, 1991 I RECENTLY RECEIVED A COPY OF THE ENCLOSED LETTER FROM THE STATE DIVISION OF WATER RIGHTS. I NOTED THAT THE MAILING ADDIRESS MAY BE OUT OF DATE. CONSEQUENTLY I DECIDED TO SEND YOU A PERSONAL COPY IN CASE THE ADDRESSED LETTER TO MR. HAHNE FAILED TO REACH YOU. I WILL FORWARD A COPY OF THIS COVER MEMO TO WATER RIGHTS (DAM SAFETY SECTION - MR. RICHARD HALL)

SIGNED N. Mayne Hedberg

WilsonJones - Carbonless - MADE IN USA
44-911 Triplicate



Executive Director

Robert L. Morgan

State Engineer



1636 West North Temple, Suite 220 Salt Lake City, Utah 84116-3156 801-538-7240

April 26, 1991

Hecla Mining-Escalante Edward Hahne P.O. Box 308 Enterprise, UT 84725

Re: Ranchers Exploration Tailings Dam

## Gentlemen:

On April 23, 1991, an informal inspection of the above-referenced dam was undertaken by Richard Hall and Dave Marble of our Dam Safety Section. They were accompanied to the dam by Mr. John D. Siddle and two other gentlemen from your organization who were at the site for other reasons.

We realize that your operation has been terminated and you are currently in the process of reclamation. Our observations indicate the remaining freeboard on the dam is only two feet which was approved by this office, as a temporary measure, on September 28, 1987.

Since the dam is full of tailings, we would like to make its status "inactive"; however, we need assurances that it can pass an acceptable flood without endangering the embankment. We are requesting a hydrological study on this issue.

If you have any questions, please feel free to contact Richard Hall of our Dam Safety Section.

Sincerely,

Robert L. Morgan, P.F.

State Engineer

RIM:rbh:cp

cc: Gerald Stoker, Cedar Area Engineer Division of Oil, Gas & Mining

Bureau of Water Pollution Control

MAY 0 1 1991

DIVISION OF OIL GAS & MINING